

5/17/77 [1]

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6/6/5/777

THE WHITE HOUSE
WASHINGTON

May 19, 1977

Jim Fallows -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: UAW Speech

THE WHITE HOUSE
WASHINGTON

5-16-77

To Jim & Stu & Jody

- a) Abbreviate 15%
- b) Simplify language
- c) More forceful
- d) Meet me at 4:15 p.m.
- e) Briefly comment:
 - Unemp 8% \rightarrow 7%
 - Business investment plans +18%
 - but inflation threat rising
- f) Hit air pollution & protectionism & auto efficiency harder -
- g) Mention housing
- h) ²⁾ Title I funding increase
- i) ³⁾ Comprehensive Xport policy
- h) I needed more time with speech -

Jimmy

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*Jim - Keep this
draft for
me*
Inflation

THE WHITE HOUSE
WASHINGTON
THE PRESIDENT HAS SEEN.

May 14, 1977

TO THE PRESIDENT (at Camp David)

From Jim Fallows *Ji*

UAW Speech

Here is a draft we have prepared in accordance with suggestions from Stu Eizenstat, Pat Caddell, and Charlie Schultze. Charlie drafted the section on the balanced budget. Rick Hertzberg did most of the work on the speech; Achsah Nesmith worked on it too.

Brzezinski and I are now working on the Notre Dame speech. There will be a draft ready for you when you get back from California.

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UAW draft
May 14, 1977
2 p.m.

[I'm very, very happy to be here with you today. I believe I'm among friends.]

A lot of people in this room worked hard last year to put me in this job, and I want to say thank you. Your support was important to me politically, of course -- but it had a special, added meaning for me because of the kind of union the UAW is and the role it has always played in our national life.]

Your union was born in struggle -- and it has never stopped fighting.

You have never retreated into complacency or narrow selfishness.

[You didn't stop fighting after the Battle of the Overpass. You didn't stop after the sitdown strikes and the great organizing drives of the thirties and forties. You didn't stop after the pioneering collective bargaining achievements in areas like pensions, supplementary unemployment benefits, cost of living adjustments, health care, and voluntary overtime.]

The UAW is still fighting -- because this union has always understood that it cannot stand alone, that it is part of a larger society and a larger world.

Very few institutions anywhere have been fortunate enough to have had the kind of superb leadership that has been a mark of the UAW.

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2

For thirty-one years this union has been led by men whose vision and sense of responsibility extended far beyond the walls of Solidarity House -- men who have fought for decency and a better life not just for their own membership but for all people.

The next president of the UAW has big shoes to fill.

I won't predict who is going to win your election tomorrow -- though I notice that Doug Fraser doesn't look too worried.

[But I am confident that the choice of this convention will carry on in the tradition of progressive unionism and social concern that has been the great distinction of the UAW from the beginning.]

When Walter Reuther's life was so tragically cut short, seven years ago, there were predictions that this union would turn inward and abandon its role as a fighting defender of social justice.

Leonard Woodcock showed how wrong those predictions were. He has left his mark in the nation and the world as surely as at the bargaining table.

[Like Walter Reuther before him, Leonard Woodcock marched at the side of Martin Luther King in the struggle for human rights in our nation.]

He ^{has} won the respect of the American people as an effective fighter for the rights of free labor everywhere and for the interests of working people and poor people and people who have suffered from discrimination and oppression.

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Recently, as you know, I asked him to undertake an extremely sensitive assignment in Vietnam. Some people wondered why I was sending a labor leader instead of a professional diplomat to handle such important negotiations.

I think there are some people at Ford and GM and Chrysler who might be able to answer that question.

And Leonard Woodcock did a superb job in Vietnam.

Tomorrow is his last full day as president of this international union -- but it's just the beginning of a new role for him in international affairs. I'd like to make it official right now. I will soon be submitting to the Senate the name of Leonard Woodcock to be chief of the U.S. Liaison Office in Peking, with the rank of Ambassador. And when Leonard leaves for China this summer to represent our country there, he will carry with him my total confidence and also my personal respect and affection.

I'm proud that Leonard Woodcock has agreed to join my Administration. I share with him and with you, and with the great majority of Americans, a common commitment to a better life for our people.

The problems we face are difficult indeed. But I believe that we have the courage and ingenuity and greatness of spirit to meet the challenges. I believe that we can build an America in which our day-to-day practices live up to our democratic ideals -- in which family life is strong and stable -- in which

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4

neighborhoods are places of vitality and safety -- in which work is justly and fairly rewarded -- in which access to opportunity is not limited by color or sex or economic background -- in which there is schooling and employment for the young and dignity and security for the old.

[We haven't had that kind of commitment in government for most of the past decade. Instead, we had an Administration that ignored our most pressing problems and was finally destroyed by the consequences of its own mistrust of the American people. And even after basic decency was restored, the mistaken policies, the shortsightedness, and the neglect remained.]

[You knew and I knew that America deserved better. That is why so many of you worked with me last year to bring new leadership to our country.

We succeeded in that effort. And now we must work together again -- to turn hope into fulfillment, to turn possibility into reality.]

We must work together to ^{control inflation and so} get our economy moving again.

We must come to terms with a growing shortage of energy which, if we ignore it, will gravely damage the very fabric of our society.

We must safeguard the integrity of our Social Security system.

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Inflation

We must totally reform our tax and welfare systems.

We must ensure the health of our people.

And we must develop a government that is open enough to earn the trust and support of the people in addressing these crucial issues -- and that is efficient enough to ensure that our efforts will bear fruit.

[I would like to take up each of these six areas with you this morning, one by one. I know that you share my determination to make progress in each of them. In every one of these areas, we inherited a legacy of neglect and mistakes. We haven't even had the luxury of starting at square one -- we've had to begin before the beginning.]

[But I think we've begun to turn things around. We've made a good start. And if we combine our efforts -- if we work with each other in a spirit of cooperation and mutual trust -- then I think we can build the kind of society in which we can take pride without reservations.]

[First, the economy.]

When ^{we} my Administration took office, we inherited an economy that was still floundering from the effects of the worst recession in forty years -- an economy in which the well-being of our people was squeezed between the twin pressures of high unemployment and high inflation.

Inflation hurts almost everyone, but it falls hardest on people of modest means and people who have worked all their

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lives for a little security and find that security threatened.
And inflation robs us of our confidence in the future.

Unemployment exacts a terrible toll in human suffering.
That suffering is psychological and social as well as economic.
All of us have seen or felt the pain of a worker who has always
had a job and now can't find one, a young person who is unable
to get that first job, or a family whose bills are mounting
and there's no paycheck to cover them.

We must attack both joblessness and rising prices --
because experience has shown that if we don't attack them
both at once, we won't be able to put a real dent in either
of them.

To get our economy moving again, I have proposed both
direct job creation and permanent tax reduction for low and
middle income taxpayers.

public works bill which will
Last week I signed into law a \$4-billion jobs bill. It
provide both necessary community improvements and 300,000 jobs,
includes our proposal for changing the funding formula so
concentrated in
that more of that money will go to areas of high unemployment.

have
We ^{have} proposed more than doubling the existing job program
for the long-term unemployed and the young -- and Congress has
appropriated the money we requested to increase public service
job slots from 310,000 to 725,000.

We're going to provide jobs this summer for more than a
million young people -- more than ever before.

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7

To help our hard-pressed cities, we have supported -- and Congress will soon pass -- a major expansion of countercyclical revenue sharing. And we've proposed a major expansion of our community block grant program, with changes that will stimulate private investment and put more of the money into the cities that need help the most.

We support extending the earned income tax credit and the general personal tax credit -- which together add up to \$12 billion in individual tax relief. Most of that relief will go to poor working and middle-income families, including families that are too poor to owe any income tax.

In addition, I've proposed ^{a permanent tax cut} \$4 billion ^{per year} in new, permanent tax reductions through increases in the standard deductions. [This will be a highly progressive measure and again,] ^{this} Most of the relief will go to working and moderate-income families -- 88 percent of it to families with incomes of less than \$15,000 a year. And 3.4 million low-income taxpayers will no longer have to pay any federal income taxes at all.

This measure is going to save people money and create jobs. It is also going to save ^a [an awful] lot of time and headaches [come] next April -- because seventy-five percent of all taxpayers will ^{then} be able to take the standard deduction and compute their taxes in one step.

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Confidence

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Putting people back to work and stimulating economic growth will create the conditions for more jobs and will encourage investment in new ^{production} capacity.

That new capacity will mean that as we approach full employment, we won't run into the shortages and bottlenecks that produce inflation. Reducing the inflation rate will provide a further spur to investment. And as the recovery ^{comes} [goes forth] and tax revenues grow, both the need for budget deficits and the reason for them will begin to disappear.--

So the goals of our economic strategy reinforce each other. That strategy is designed to cut unemployment ^{below} [to ^{five} 4-3/4] percent by 1981; to work together with business and labor to knock two percentage points off the inflation rate by the end of 1979; and, in the context of the higher revenues that growing employment will bring, to achieve a balanced budget in fiscal year 1981.

I want particularly to stress two points about our economic policy.

One point is that we aim by 1981 to balance the budget in a ^{strong and healthy} [full employment] economy, with the revenues that ^{such an} [a full employment] economy produces. It's not ^{legitimate} [runaway] spending on human needs that causes our deficits -- it is principally the inadequate revenues from a sluggish economy that create them. Cutting back programs that really help people is not the route to balancing the budget. But even with ^{adequate} the revenues [from a fully employed economy] we will have to make some hard

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9

choices about ^{how} ~~what~~ we spend the taxpayers' money, on.

[To get to full employment, the American economy will have to create almost 10 million new jobs in the next four years. And most of those will have to come in private industry. As economic recovery proceeds -- spurred by the stimulus program which the Congress has just enacted -- workers will have more incomes and business firms more profits.] With incomes and profits rising and with confidence in the future returning, jobs can be created in the millions needed to meet the goal of ^{high} [full] employment. Under those conditions, a balanced budget becomes not only feasible but necessary.

The other point is that I am unalterably opposed to fighting inflation by economic and budgetary policies which keep unemployment high and factories idle. That approach is economically ineffective and morally bankrupt. I believe the American economy can grow strongly enough to give us both high employment and a balanced budget by 1981. But if the recovery should falter during the years ahead I will propose the economic and budgetary measures needed to get it going again.

Second, energy.

The energy crisis is perhaps the greatest challenge our country will face in our lifetimes, apart from preventing war. I still find it almost incredible that our country had no coherent plan for dealing with it until this year.

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I have proposed such a plan, and a new department to administer it.

The plan is based upon three simple realities.

The first is that we are running out of oil. The second is that oil will, nevertheless, have to remain our primary energy source for many years, ^{and must not be wasted.} The third is that unless we begin soon to prepare for the transition to other sources of energy, the consequences for our society and our way of life will be severe.

^{We} ~~They~~ could ^{face} include massive unemployment, crippling inflation, social and political instability, and threats to our freedom of action in international affairs.

We cannot ^{just} rely on ^{increased} production ^{alone}, or even primarily. In fact, it is a misnomer to speak of production at all, because all the oil that will ever exist was produced millions of years ago by natural processes -- and there are 55 million barrels less of it every day. What we really mean when we speak of production is discovery, processing and use. And ^{while} finding more oil is important, we would have to discover a new pool of oil as large as the huge Alaskan field every year just to keep pace with the annual growth in world consumption. ^{So we must find a way to increase} That is not going to happen. We must shift to other sources, and ultimately to renewable sources such as solar and geothermal energy.

if we build a new one

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And in the meantime, we must conserve.

The energy plan I have proposed asks for courage, for shared responsibility, and for present sacrifices for the sake of future security. These have always been prominent characteristics of your union. And that is why I do not hesitate to come here today and ask for your support.

There will be difficulties. No one ever said there would not be. But I believe that our nation can overcome them.

addressing the energy problem
The plan is complex, because the problem is complex. It calls for a great variety of measures designed to encourage, and in some cases to compel, conservation. I believe that the steps I have proposed are necessary -- and that we can work together to ensure that the sacrifices will not fall disproportionately on the members of the UAW or on any other group.

And I refuse to believe that the American worker is not equal to this challenge. On the average, foreign-made cars are more efficient in their use of gasoline than American-made cars. But it doesn't have to be that way. There are cars made in this country already that get 36 miles to the gallon. The market for economic cars is growing, and it will grow faster in the years ahead. Those cars don't have to be imported from abroad. They can be built here, by members of this union. The American people are depending on you.

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Third, our Social Security system.

Social Security, which is perhaps the greatest legacy of the New Deal and which has served us so well for forty years, has been paying out more than it has taken in since 1975. Unless we take action now, the Disability Insurance Fund's reserves will be gone the year after next and the retirement reserves will be exhausted four years after that.

Some have proposed a simple
[The previous administration had ~~a~~] solution for this: tax the American worker to the hilt. Well, we're not going to do that. Too many people are already paying more in payroll taxes than in income taxes as it is.

And we're not going to let Social Security go broke. We're going to keep faith with the 33 million Americans who receive benefits and the 104 million who are paying into the system with the expectation that ~~they~~ ^{you} will receive benefits when ~~they~~ ^{you} retire or become disabled or when ~~their~~ ^{your} dependents need help.

The changes I submitted to Congress will make Social Security financially sound for the rest of the century and will correct most of the problems for the next 75 years -- and without more taxes than already scheduled by law for the average wage earner. [If these changes are enacted, the financial base of the system will move in a progressive direction for the first time.]

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Fourth, our welfare system and our tax system.

In both of these cases, tinkering will not be enough. They must be thoroughly redesigned.

The welfare system we have now robs the taxpayers who support it, degrades the people who really do need help, and discourages the people who administer it. It is an extraordinarily complex and difficult problem -- even more so than we had expected. Two weeks ago I outlined the principles that must underlie the reform of the system that must be undertaken, and we hope to have legislative proposals ready by the end of the summer. ^PWe've begun to move in this direction by simplifying the food stamp program, eliminating the purchase requirement and reforming the eligibility rules.

As for our tax system, [-- which I have called a disgrace to the human race --] it too must be reformed through and through. Our tax system was once relatively simple and [relatively] progressive. It isn't any more, because it has been changed so much over the years -- mostly for the benefit of those who are rich enough to hire their own lobbyists. The process of redesign is well underway, and we intend to submit legislation to Congress ^{as early as possible this year.} [in the Fall.]

Fifth, the health of our people.

Good health for every American is one of my primary concerns, and I know it is one of yours. We must approach this problem on many levels.

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14

I believe that we must increase our emphasis on dealing with the causes of illness. This means promoting a cleaner and healthier environment and I will be submitting detailed proposals to do that in about two weeks.

It means ^{helping} immunizing our children ^{avoid} against preventable diseases -- and [we have begun to do just that.] Some 5.5 million children will be immunized over the next thirty months.

[And it means screening our ^{young} children for health problems in a much fuller way.] ^{Also,} Under our proposed Child Health Assessment Program, now before Congress, nearly ten million ^{young} children would be screened in 1982, ^{a five-fold increase} [as against the less than ^{our present programs} two million who were screened last year under previous programs.] [The Federal government would pay a larger percentage of the costs, and there would be increased facilities for follow-up treatment.]

^{In order} [I believe that we must do more] to make medical care available in inner cities and rural areas where there are not enough doctors. [Under the Medicare program] we've added a provision ^{under Medicare} that will make nurse practitioners and physicians' assistants available to help fill the gap.

Finally, I am committed to the phasing in of a workable national health insurance system.

It was this union that made national health insurance a national issue. Leonard Woodcock has given me an education

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about the need and the possible ways for meeting it. And he is a member of the advisory committee that will design the system -- and that will hold its first meeting later this week. We are aiming to submit the first legislative proposals early next year.

But we must move immediately to start bringing health care costs under control. If we don't, the cost of any national health [insurance] program will double ^{every} [in] five years.

Hospital costs take 40 cents of every health dollar, and they have [been] rising even faster than other health costs. Last year the cost of a day in the hospital went up twice as fast as other prices -- and it has [gone] up an incredible one thousand percent since 1950.

I have proposed hospital cost containment legislation that would put the brakes on these increases. It allows for special situations and improvement of care, but it also rewards efficiency and begins to check the spiralling costs. [And] it is the first ^{necessary} step towards ^{comprehensive} national health ^{Care.} [insurance.]

Sixty other nations have managed to come up with national health [insurance] programs that meet the needs of their people. I don't think it's ^{this is not} beyond our ingenuity to do the same. And I want this ^{program to be established} [goal to be achieved] during my stewardship of this office.

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Sixth, the need for an open and efficient government.

I've done my best to open up the Presidency. I've talked publicly about foreign policy matters that were formerly considered too ^{secret and complicated} [sacrosanct] for the ears of the American people. I've had frequent press conferences. I've had direct encounters with people who don't normally get to talk to a President -- in fact, I'll be participating in one a little later today. ?

I intend to continue doing these things. I enjoy them. I believe they contribute to the democratic process. And I think they're a safeguard against some of the abuses of power we've suffered from in the past. [Just imagine what that town meeting in Massachusetts would have been like if I'd had a Watergate or a Vietnam on my hands.]

There are other ways we can build more openness and responsiveness into the system.

more forceful - We can make it easier for people to participate in our electoral system. Vice President Mondale and I have worked out legislation that would do that, primarily by letting people register at the polls on the day of a Federal election.

We can do more to make sure that the activities of government officials are devoted exclusively to the public interest. [To this end,] I have ^{asked} [submitted to] Congress [a tough

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to
Ethics in Government act which will impose strict financial disclosure standards on more than 13,000 federal officials.

It will make it very uncomfortable for officials ^{whose} [who engage ^{interests conflict with those of the public.} in conflicts of interest.]

And we ^{need to} [can] create an Agency for Consumer Protection, ^{which} [something] the UAW has been supporting for many years.

This bill would consolidate consumer advocacy programs that are now scattered ineffectively throughout the maze of Federal agencies, and give consumers a voice when government decisions are made.

Help me fight special interests
Both this bill and the electoral reform bill will face some tough going in Congress in the next two weeks. I hope you will let Congress know how strongly you favor them.

Abolish waste - jobs - prevent realization of hopes
And the government must be more efficient. Many of us have learned in the last few years that it's not enough just to care about people's needs. We have to be sure that our legislation and programs really help them.

There's not enough money to waste on inefficiency, duplication, or helping those who can take care of themselves. And it is working people -- and those who genuinely need help -- who are cheated when programs don't work.

We've heard too many promises that no one knew how to keep. We've had too many programs no one cared about making work.

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18

An efficient government is the only kind that can translate good intentions into real action. It's the kind of government I am determined to have. And I will stick to that determination, no matter where the criticism comes from.

We've moved vigorously to cut down waste throughout the maze of Federal agencies, and give consumers a voice where government decisions are made.

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19

We found a number of water projects that simply couldn't be justified -- eighteen in all -- and five others that were more expensive or elaborate than they needed to be. Cutting these back will save about \$4 billion, \$200 million of it immediately, in fiscal year 1978.

We're moving to get rid of some of the more than eleven hundred advisory commissions in the Federal government. Some of them serve a useful purpose, opening up the government to citizen participation and giving us advice we need, but others haven't met in years, or are just artificial and a waste of money. They have got to go.

We're instituting zero-based budgeting and sunset legislation, which will help us get rid of programs which have outlived their usefulness.

We have also begun a complete reorganization of the Executive Branch.

We're starting at home -- in the Executive Office of the President. We're going to do it thoroughly and we're going to do it right -- with wide-ranging consultations every step of the way. We're going to do something that's almost revolutionary: we're going to apply reason to the organization of the Federal bureaucracy.

The agenda I've described to you this morning is a big one. But I think we can do it. We can do it if we remember that nothing good comes quickly or easily, that we must make hard choices about how to use our resources, and that

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20

lean, efficient government is the best way to ^{satisfy} (solve) our people's needs.

[I think we can make the changes we must make if our country is to remain a place where we can be proud to bring up our children.]

In his final report to this convention, President Woodcock wrote: "In the United States, we are moving from a period of depression, despair and despondency into a time of renewed hope."

If we work together, that hope will ^{never} ~~not~~ fade. [It will be nourished and fulfilled.]

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~~stopped fighting.~~

^you have won many victories. But you have never re-
treated into complacency or narrow selfishness.

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but for all people.

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seven years ago, there were predictions that this union would
turn inward and abandon its role as a ~~fighting~~ defender of
social justice.

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He has left his mark ^{for the poor and the oppressed as clearly}
~~in the nation and the world as surely as~~
^{for his members}
at the bargaining table.

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~~(He has won the respect of the American people as an effective fighter for the rights of free labor everywhere and for the interests of working people and poor people and people who have suffered from discrimination and oppression.)~~

Recently, as you know, I asked him to undertake an extremely sensitive assignment in Vietnam. ^{Some people MAY}

^(AM) wondered why I ~~was~~ sending a labor leader instead of a professional diplomat to handle such important negotiations.

^{EXECUTIVES}
I think there are some ~~people~~ at Ford, and GM, and Chrysler ^{AND AMC} who might be able to answer that question.

Leonard Woodcock did a superb job ~~in Vietnam~~.

And although he is retiring as president of this international union, he will continue to serve his country in a new ^{INTERNATIONAL} role. I will soon submit his name to the Senate to be chief of the U.S. Liason Office in China, with the rank of Ambassador.

→ ^{which we face}
The problems ~~our nation faces~~ are difficult indeed. But ~~I believe that~~ we have the courage and ingenuity and greatness of spirit to meet the challenges. I believe that we can build an America in which our day-to-day practices live up to our democratic ideals -- in which family life is strong and stable -- in which ^{THE} neighborhoods ^{OF OUR CITIES} are places of vitality and safety -- in which work is justly and fairly rewarded -- in which ~~as~~ ^{RELIGION OR} opportunity is not limited by color or sex or economic background -- in which there is schooling and employment for the young and dignity and security for the old.

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We must work together to control inflation and to get our economy moving again.

We must come to terms with a growing shortage of energy which, if ~~we ignore it~~ ^{ignored}, will gravely damage the very fabric of our society.

We must safeguard the integrity of our Social Security system.

We must totally reform our tax and welfare systems.

We must ensure the health of our people.

And we must develop a government ^{which} ~~that~~ is open enough to earn the trust and support of the people in addressing these crucial issues -- and ~~that is~~ efficient enough to ensure that our efforts will bear fruit.

The achievement of all our goals depends on the first one -- a strong and ~~vibrant~~ ^{GROWING} economy.

~~AT THE BEGINNING OF THIS ADMINISTRATION, THE~~
~~When we took office, we inherited an economy that~~ was still floundering from the effects of the worst recession in 40 years -- an economy in which the well-being of our people was squeezed between the twin pressures of high unemployment and high inflation.

That picture has improved, ^{business and consumer} ~~but we still have a long way~~
~~to go.~~ ^{AS A CONFIDENCE IN OUR ECONOMIC FUTURE HAS GROWN.}

Last month, the number of Americans with jobs in the private sector of our economy went over 90,000,000 for the first time in our history.

Eight-hundred thousand people have gone off the unemployment rolls since December. Half a million found jobs in April alone.

~~Confidence in our economy is improving.~~ Private surveys have shown that investment plans for 1977 are up significantly from ~~the amount invested in~~ 1976.

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Unemployment now stands at its lowest level in
twenty-nine months ^{DOWN A FULL PERCENTAGE POINT SINCE LAST NOVEMBER.}
But at seven per cent, it is still
too high. ^{WE STILL HAVE A LONG WAY TO GO.}

~~And~~ The equal threat of inflation is building.
^{ANY DANGEROUS}
~~Wholesale prices have gone up at an annual rate of 13 per~~
~~cent during the last three months.~~
^{REFLECTING THE EFFECTS OF THE DROUGHT AND LAST WINTER'S COLD WEATHER,}
Consumer prices have been going up at a 10 per cent
^{IN THE LAST THREE MONTHS.}
annual rate ~~and the price of industrial commodities --~~
~~everything but food and fuel rose at an annual rate of~~
^{THE BASIC UNDERLYING INFLATION RATE IS STILL AROUND SIX PER CENT.}
~~7 per cent between January and March. Again, These figures~~
are much too high for comfort.

Inflation hurts almost everyone, but it falls hardest
on people of modest means and people who have worked all
their lives for a little security and find that security
threatened. ~~And~~ Inflation robs us of our confidence in
the future.

Unemployment exacts a terrible toll in human suffering.
That suffering is psychological and social as well as economic.
All of us have seen or felt the pain of a worker who has
always had a job and now can't find one, a young person
who is unable to get that first job, or a family whose
bills are mounting and ^{HAS} ~~there's~~ no paycheck to cover them.

We must attack both joblessness and rising prices --
because experience has shown that if we don't attack them
^{TOGETHER}
~~both at once,~~ we won't be able to put a real dent in either.
~~of them.~~

^{conference}
AT THE RECENT LONDON SUMMIT, ALL THE LEADERS AGREED
THAT THE GREATEST THREAT TO THE ECONOMIC FUTURE OF THE
WESTERN DEMOCRACIES IS ~~WAS~~ WIDESPREAD UNEMPLOYMENT OF YOUNG PEOPLE.

~~MY ADMINISTRATION~~
we have
To get our economy moving again, ~~A have~~ proposed both direct job creation and permanent tax reduction for low and middle income taxpayers.

Last week I signed into law a public works bill which will provide both necessary community improvements and 600,000 jobs, concentrated in areas of high unemployment.

We have proposed more than doubling the existing job program for the long-term unemployed and the young -- and Congress has appropriated the money we requested to increase public service job slots from 310,000 to 725,000.

~~We're going to~~ ^{We will} provide jobs this summer for more than a million young people -- more than ever before.

To help our hard-pressed cities, we have supported -- and Congress will soon pass -- a major expansion of counter-cyclical revenue sharing. ~~And we've~~ ^{ALSO} proposed a major expansion of our community block grant program, with changes that will stimulate private investment ^{in housing and other development} and put more of the money into the cities that need ^{it} ~~help the~~ most.

We support extending the earned income tax credit and the general personal tax credit -- which together add up to \$6.8 billion in individual tax relief. Most of that relief will go to ~~poor~~ ^{LOW-} and middle-income families; including families that are too poor to owe any income tax.

~~we~~ ^{I will sign into law} In addition, ~~I've~~ proposed a permanent \$4 billion tax cut through increases in the standard deductions.

^{88%} ~~Most~~ of this relief will go to ~~working and moderate income~~

I HAVE PROPOSED A MAJOR INITIATIVE
TO PUT OUR YOUNG PEOPLE INTO PRODUCTIVE JOBS IN
OUR CITIES AND NATIONAL PARKS. ~~IN~~ ^{IN} addition.

families -- ~~88 per cent of it to~~ families with incomes of less than \$15,000 a year. And 3.3 million low-income taxpayers will no longer have to pay any federal income taxes at all.

This measure is going to save people money and create jobs. It is also going to save a lot of time and headaches next April -- because 75 per cent of all taxpayers will then be able to take the standard deduction and compute their taxes in one step.

Putting people back to work and stimulating economic growth will create the conditions for more jobs and will encourage investment in new production^{VE} capacity.

That new capacity will mean that as we approach full employment, we won't run into the shortages and bottlenecks that produce inflation. Reducing the inflation rate will provide a further spur to investment. And as recovery

~~comes~~ ^{CONTINUES} and tax revenues grow, both the need for budget deficits and the reason for them will begin to disappear.

So the ^{multiple} goals of our economic strategy reinforce

~~each other~~ ^{ONE} ^{AN}. That strategy is designed to cut unemployment to below five percent by 1981; to work together with

business and labor to knock two percentage points off the inflation rate by the end of 1979; and, ^{with} ~~in~~ the

~~context of the~~ higher revenues that growing employment will bring, to achieve a balanced budget in fiscal year 1981.

I want particularly to stress two points about our economic policy.

insert A p. 6

We must fight inflation ~~step~~ step by step. I have
already proposed a broad-based program to attack inflation. This plan
includes ^a ~~my~~ proposal to ~~de~~regulate ^{air}airlines, to make them more
competitive. The Attorney General will soon have proposals for
legislation to allow us to attack anti-^{trust}competitive practices more
quickly and effectively. ~~than we can now.~~

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One point is that we aim by 1981 to balance the budget in a strong and healthy economy, with the revenues that such an economy produces. It's not legitimate spending on human needs that causes our deficits -- it is principally the inadequate revenues from a sluggish economy that create them. Cutting back programs that really help people is not the ~~route~~ ^{WAY} to balancing ^E the budget. But even with adequate revenues, we will have to make some hard choices about how we spend the taxpayers' money. **WE CAN'T AFFORD TO DO EVERYTHING.**

With incomes and profits rising and with confidence in the future returning, ~~jobs can be created~~ ^{OUR ECONOMY PROVIDE} in the millions ^{OF JOBS} needed to meet the goal of high employment. Under those conditions, ~~A balanced budget becomes not only feasible but necessary.~~ ^{WE CAN'T HAVE THE} **--AND WE MUST, TO AVOID INFLATION.**

The other point is that I am unalterably opposed to fighting inflation by economic and budgetary policies which keep ^{UN}employment high and factories idle. That approach is economically ineffective and morally bankrupt. ~~[I believe the American economy can grow strongly enough to give us both high employment and a balanced budget by 1981.]~~ But **I** if the recovery should falter during the years ahead I will propose the economic and budgetary measures needed to get it going again.

Second, energy.

The energy crisis is ~~perhaps~~ ^{DOMESTIC} the greatest challenge our country will face in our lifetimes, ~~apart from preventing war.~~ I still find it almost incredible that our country had no coherent plan for dealing with it until this year.

I have proposed such a plan, and a new department to administer it.

INESCAPABLE

The plan is based upon three ~~simple~~ realities.

The first is that we are running out of oil. The second is that oil will, nevertheless, have to remain our primary energy source for many years and must not be wasted. The third is that unless we begin soon to prepare for the transition to other sources of energy, the consequences for our society and our way of life will be severe.

We could face massive unemployment, crippling inflation, social and political instability, and threats to our freedom of action in international affairs.

We cannot just rely on increased production. While finding more oil is important, we would have to discover a new ~~pool of oil as large as the huge Alaskan~~ ^{OIL} ~~field every~~ ^{OTHER} year just to keep pace with the annual growth in world consumption.

In spite of strong ^{THE} financial incentives, that is ^{SIMPLY} not going to happen. We must ~~shift~~ ^{save oil and gas and for uses where there is no} to other sources, and ultimately ^{good} ~~when possible, and develop new sources such~~ ^{substitute} ~~to renewable sources such as solar and geothermal energy, as solar energy. If there are no workers in~~ ~~and nuclear energy with strict safeguards. We do not need~~ ~~America whose jobs future jobs depend more and~~ ~~to build the breeder reactor, which would increase the risk of~~ ~~proliferation~~ ~~than years on a good energy program based~~ ~~on strict conservation.~~

NO MATTER HOW

You know that meeting our energy goals will be tough. It will require sacrifice from everyone in the country.

We cannot use the fuel crisis as an excuse for not cleaning up our air. I have proposed tough but fair air pollution standards. We have got to improve the efficiency of our cars. That is why I proposed the gas guzzler tax.

You and I have ~~some~~ honest differences ^{of opinion} over some aspects of my proposals. But I don't hesitate to ask for your help, because I know what you have done in the past. ~~If there is any group that~~ ^{You have} ~~has~~ never lost sight of the broader interests of our nation, ~~it's~~ ^{you}. Walter Reuther helped make the Clean Air Act a reality. Your members already build cars that get 30 miles per gallon and more. ~~It is absolutely inevitable that we will shift to more efficient~~ ^{But American auto companies design a lot more that don't.} ~~automobiles with a clean exhaust.~~

This past quarter a larger percentage of Americans bought foreign-made cars than ever before. ^{I know you agree that} The solution is not to erect trade

barriers to keep out foreign competition. ~~and I know your union~~ ^{agrees}. That only leads to retaliation and added inflation. The solution lies in using ^{our great} American ingenuity to design ^{and produce} ~~family-size~~ ^{the right cars for the future.} ~~cars that are efficient and reasonably priced.~~ ^{And} I can think

of no more disastrous assumption for the American auto ^{mobile} industry than that ^{we cannot successfully compete with} ~~only~~ foreign companies ~~can~~ produce and sell ^{such} efficient cars. ^{that}

~~We must work together to conserve and make life better for all our people in the future~~

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INSERT 8 - ATTACHED

You know that meeting our energy goals will be tough. It will require sacrifices from every group in the country -- including the auto makers and the United Auto Workers.

It will take sacrifice because we cannot use the fuel crisis as an excuse for not cleaning up our air. It will take sacrifice because we have got to improve the efficiency of our cars.

I'm not afraid to ask for your help, because I know what you have done in the past. Walter Reuther helped make the first Clean Air Act a reality. Your members already build cars that get 30 miles per gallon and more.

I need your help. The country needs your help.

Will we get it? I knew we would.

Now I want to discuss
Third, our Social Security system.

Social Security, which is perhaps the greatest legacy of the New Deal and which has served us so well for forty years, has been paying out more than it has taken in since 1975. Unless we take action now the Disability Insurance Fund's reserves will be gone ^{in two years} ~~the year after next~~ and the retirement reserves will be exhausted four years after that.

Some have proposed a simple solution for this: tax the American worker to the hilt. Well, we're not going to do that. Too many people are already paying more in payroll taxes than in income taxes as it is.

And we're not going to let Social Security go broke. We're going to keep faith with the 33 million Americans who receive benefits and the 104 million ^{of us} ~~who~~ are paying into the

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system with the expectation that ^{we} ~~they~~ you will receive benefits
when ^{they/we} ~~you~~ retire or become disabled or when ^{there/our} ~~your~~ dependents
need help.

The changes I submitted to the Congress will make Social
Security financially sound for the rest of the century and
will correct most of the problems for the next 75 years --
and without ^{A HIGHER} ~~more~~ taxes ^{RATE} than already scheduled by law for the
average wage earner. **I'M GOING TO NEED YOUR HELP IN CONGRESS
TO GET THIS
BILL PASSED.**

Fourth, our welfare system and our tax system.

In both of these cases, tinkering will not be enough.

They must be thoroughly redesigned.

^{Our present} ~~The~~ welfare system ~~we have now~~ robs the taxpayers who
support it, degrades the people who really do need help and
discourages the people who administer it, ^{AND} It is an extra-
ordinarily complex and difficult problem -- even more so
than we had expected. Two weeks ago I outlined the principles
that must underlie the reform of the system ~~that must be~~
^{WILL} ~~undertaken~~, and we ~~hope to~~ have legislative proposals ready by
the end of the summer.

We've begun to move in this direction by simplifying
the food stamp program, eliminating the purchase requirement
and reforming the eligibility rules.

As for our tax system, it too must be reformed through
and through. Our tax system was once relatively simple and
progressive. It isn't any more, because it has been changed
so much over the years -- ^{often} ~~mostly~~ for the benefit of those who
are rich enough to hire their own lobbyists. The process of

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redesign is well underway, and we intend to submit legislation to the Congress as early as possible this year.

Fifth, the health of our people.

Good health for every American is one of my primary concerns, and I know it is one of yours. We must approach this problem on many levels.

I believe that we must increase our emphasis on dealing with the causes of illness. This means promoting a cleaner and healthier environment and I will be submitting detailed proposals to do that in about ^A~~two~~ weeks.

It means helping our children avoid preventable diseases -- and some 5.5 million children will be immunized over the next thirty months. Also, under our proposed Child Health Assessment Program, now before the Congress, nearly ten million young children ^{will}~~would~~ be screened in 1982, a five-fold increase over present programs.

In order to make medical care available in inner cities and rural areas where there are not enough doctors, we've ^{PROPOSED}~~supported~~ legislation under Medicare, that will make nurse practitioners and physicians' assistants available to help fill the gap.

Finally, I am committed to the phasing in of a workable national health insurance system.

It was this union that made national health insurance a national issue. Leonard Woodcock has given me an education about the need and the possible ways for meeting it. And he is a member of the advisory committee that will design the

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system -- and that will hold its first meeting later this week. We are aiming to submit legislative proposals early next year.

But we must move immediately to start bringing health care costs under control. If we don't, the cost of any national health program will double every five years.

Hospital costs take 40 cents of every health dollar, and they have gone up an incredible one thousand percent since 1950.

I have proposed hospital cost containment legislation that would put the brakes on these increases. It allows for special situations and improvement of care, but it also rewards efficiency and begins to check the spiralling costs.

~~THIS~~ It is the first ~~necessary~~ step toward comprehensive national health care.

Sixty other nations have managed to come up with national health programs that meet the needs of their people. It is not beyond our ingenuity to do the same. And I want this program to be established during my ~~stewardship of this~~ ^{TIME IN} office.

Sixth, the need for an open and efficient government.

I've done my best to open up the Presidency. I've talked publicly about foreign policy matters that were formerly considered too secret and complicated for the ears of the American people. I've had frequent press conferences. I've had direct encounters with people who don't normally get to talk to a President.

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NOT IN
RELEASE TEXT

I intend to continue doing these things. I enjoy them.
I believe they contribute to the democratic process. / And
I think they're a safeguard against some of the abuses of ,
power we've suffered from in the past. Just imagine what
that town meeting in Massachusetts would have been like if
I'd had a Watergate or a Vietnam on my hands. /

There are other ways we can build more openness and
responsiveness into the system.

We can make sure that the activities of government officials
are devoted exclusively to the public interest. I have asked
the Congress to impose strict financial disclosure standards
on more than 13,000 ^{TOP} federal ^{executives.} officials. This will make it
~~very uncomfortable~~ ^{DIFFICULT} for ^{HIGH GOVERNMENT OFFICIALS TO HAVE} people whose interests conflict with
those of the public. ^{WHICH}

We need to open up our electoral system to greater
participation. Many working people don't vote now because
they don't have the time to go through the lengthy and needless
registration procedures. Vice President Mondale and I have
worked out legislation that would let people register at the
polls on the day of a federal election.

And we need to create an Agency for Consumer Protection,
~~which the UAW has supported for many years.~~

This bill would consolidate consumer advocacy programs
that are now scattered ineffectively throughout the maze of
federal agencies. It would give consumers a voice in govern-
ment offices where, too often, the only voices heard have been

WE SHOULD INSIST ON THE SAME HIGH STANDARDS FOR
PRIVATE INSTITUTIONS. THAT IS WHY I HAVE PROPOSED MAKING
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those of lobbyists for the wealthy and powerful.

~~Those~~ ^{There} ~~interests~~ are now ~~putting~~ enormous pressures ~~on~~
~~the Congress~~ to kill the legislation creating this new
consumer agency. ^{And Some Powerful special interests} ~~And they~~ are trying to kill the electoral
reform bill, because they don't want working people to ^{register and to} vote.

We can't let them get away with it. The UAW has long supported
these measures. Together, we can get them passed this year.

(more)

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We must ^{also} make government more efficient -- because we don't have the money to waste on inefficiency, duplication, ^{to give handouts to} or ~~helping~~ those who can take care of themselves.

Waste robs us all. It prevents the realization of our hopes.

An efficient government means spending money only where it will ^{actually benefit} ~~do something for~~ our people. We've proposed a \$350 million increase in the Title I education funds for deprived children. We've proposed raising the Basic Opportunity Grant from \$1400 to \$1800 per year, to help ~~average families~~ ^{CHILDREN} put their ~~kids~~ through college.

But when spending is wasteful, we've moved vigorously to cut it out.

We found ~~eighteen~~ ^{\$4 BILLION IN} water projects that simply couldn't be justified, ~~and five others that~~ ^{OR} were more expensive or elaborate than they needed to be. ~~Getting these back will save about \$4 billion, \$200 million of it immediately, in fiscal year 1978.~~

We're moving to get rid of some of the more than ~~thirteen~~ ^{ELEVEN} ~~eleven~~ hundred advisory commissions in the Federal government. Some of them serve a useful purpose, opening up the government to citizen participation and giving us advice we need, but others haven't met in years, or are just artificial and a waste of money. They have got to go.

We're instituting zero-based budgeting and ^{SUPPORTING} sunset legislation, which will help us get rid of programs which have outlived their usefulness.

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We have also begun a complete reorganization of the Executive Branch.

We're starting at home -- in the Executive Office of the President. We're going to do it thoroughly and we're going to do it right -- with wide-ranging consultations every step of the way. We're going to do something that's almost revolutionary: we're going to apply reason to the organization of the Federal bureaucracy.

I believe that we can be fiscally responsible and still satisfy the needs of our people -- and ^{I believe} that we cannot satisfy our needs unless we are ^{competent and} efficient.

~~I believe that~~ We can cut both unemployment and inflation -- and ^{I believe} that our policies will help us reach both these goals.

We can do these things if we remember that nothing good comes quickly or easily, that we must make hard choices about how to use our resources, and that ~~without lean, effective government our good only lean,~~ efficient government can translate our good intentions into actions that will improve the lives of our people.

That's the kind of government I am determined to have. And I will stick to that determination, ^{in spite of} ~~no matter~~ ^{whatever} ~~where the criticism comes from.~~ ^{may come.}

In his final report to this convention, President Woodcock wrote: "In the United States, we are moving from a period of depression, despair and despondency into a time of renewed hope."

^{in our free nation,}
If we work together, that hope will never fade.

#

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UAW Draft
May 16, 1977

THE PRESIDENT WAS SEEN.

Your union was born in struggle -- and it has never stopped fighting.

You have won many victories. But you have never retreated into complacency or narrow selfishness.

The UAW is still fighting -- because this union has always understood that it cannot stand alone, that it is part of a larger society and a larger world.

Very few institutions anywhere have been fortunate enough to have had the kind of superb leadership that has been a mark of the UAW.

For thirty-one years this union has been led by men whose vision and sense of responsibility extended far beyond the walls of Solidarity House -- men who have fought for decency and a better life not just for their own membership but for all people.

The next president of the UAW has big shoes to fill.

I won't predict who is going to win your election tomorrow -- though I notice that Doug Fraser doesn't look too worried.

When Walter Reuther's life was so tragically cut short, seven years ago, there were predictions that this union would turn inward and abandon its role as a fighting defender of social justice.

Leonard Woodcock showed how wrong those predictions were. He has left his mark in the nation and the world as surely as at the bargaining table.

He has won the respect of the American people as an effective fighter for the rights of free labor everywhere and for the interests of working people and poor people and people who have suffered from discrimination and oppression.

Recently, as you know, I asked him to undertake an extremely sensitive assignment in Vietnam. Some people wondered why I was sending a labor leader instead of a professional diplomat to handle such important negotiations.

I think there are some people at Ford and GM and Chrysler who might be able to answer that question.

Leonard Woodcock did a superb job in Vietnam.

And although he is retiring as president of this international union, he will continue to serve his country in a new role. I will soon submit his name to the Senate to be chief of the U.S. Liason Office in China, with the rank of Ambassador.

The problems our nation faces are difficult indeed. But I believe that we have the courage and ingenuity and greatness of spirit to meet the challenges. I believe that we can build an America in which our day-to-day practices live up to our democratic ideals -- in which family life is strong and stable -- in which neighborhoods are places of vitality and safety -- in which work is justly and fairly rewarded -- in which access to opportunity is not limited by color or sex or economic background -- in which there is schooling and employment for the young and dignity and security for the old.

We must work together to control inflation and to get our economy moving again.

We must come to terms with a growing shortage of energy which, if we ignore it, will gravely damage the very fabric of our society.

We must safeguard the integrity of our Social Security system.

We must totally reform our tax and welfare systems.

We must ensure the health of our people.

And we must develop a government that is open enough to earn the trust and support of the people in addressing these crucial issues -- and that is efficient enough to ensure that our efforts will bear fruit.

The achievement of all our goals depends on the first one -- a strong and vibrant economy.

When we took office, we inherited an economy that was still floundering from the effects of the worst recession in 40 years -- an economy in which the well-being of our people was squeezed between the twin pressures of high unemployment and high inflation.

That picture has improved, but we still have a long way to go.

Last month, the number of Americans with jobs in the private sector of our economy went over 90,000,000 for the first time in our history.

Eight-hundred thousand people have gone off the unemployment rolls since December. Half a million found jobs in April alone.

Confidence in our economy is improving. Private surveys have shown that investment plans for 1977 are up significantly from the amount invested in 1976.

Unemployment now stands at its lowest level in twenty-nine months -- but at seven per cent, it is still too high.

And the equal threat of inflation is building. Wholesale prices have gone up at an annual rate of 13 per cent during the last three months.

Consumer prices have been going up at a 10 per cent annual rate, and the price of industrial commodities -- everything but food and fuel -- rose at an annual rate of 7 per cent between January and March. Again, these figures are much too high for comfort.

Inflation hurts almost everyone, but it falls hardest on people of modest means and people who have worked all their lives for a little security and find that security threatened. And inflation robs us of our confidence in the future.

Unemployment exacts a terrible toll in human suffering. That suffering is psychological and social as well as economic. All of us have seen or felt the pain of a worker who has always had a job and now can't find one, a young person who is unable to get that first job, or a family whose bills are mounting and there's no paycheck to cover them.

We must attack both joblessness and rising prices -- because experience has shown that if we don't attack them both at once, we won't be able to put a real dent in either of them.

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So the goals of our economic strategy reinforce each other. That strategy is designed to cut unemployment to below five percent by 1981; to work together with business and labor to knock two percentage points off the inflation rate by the end of 1979; and, in the context of the higher revenues that growing employment will bring, to achieve a balanced budget in fiscal year 1981.

I want particularly to stress two points about our economic policy.

One point is that we aim by 1981 to balance the budget in a strong and healthy economy, with the revenues that such an economy produces. It's not legitimate spending on human needs that causes our deficits -- it is principally the inadequate revenues from a sluggish economy that create them. Cutting back programs that really help people is not the route to balancing the budget. But even with adequate revenues, we will have to make some hard choices about how we spend the taxpayers' money.

With incomes and profits rising and with confidence in the future returning, jobs can be created in the millions needed to meet the goal of high employment. Under those conditions, a balanced budget becomes not only feasible but necessary.

The other point is that I am unalterably opposed to fighting inflation by economic and budgetary policies which keep employment high and factories idle. That approach is economically ineffective and morally bankrupt. I believe the American economy can grow strongly enough to give us both high employment and a balanced budget by 1981. But if the recovery should falter during the years ahead I will propose the economic and budgetary measures needed to get it going again.

Second, energy.

The energy crisis is perhaps the greatest challenge our country will face in our lifetimes, apart from preventing war. I still find it almost incredible that our country had no coherent plan for dealing with it until this year.

I have proposed such a plan, and a new department to administer it.

The plan is based upon three simple realities.

The first is that we are running out of oil. The second is that oil will, nevertheless, have to remain our primary energy source for many years and must not be wasted. The third is that unless we begin soon to prepare for the transition to other sources of energy, the consequences for our society and our way of life will be severe.

We could face massive unemployment, crippling inflation, social and political instability, and threats to our freedom of action in international affairs.

We cannot just rely on increased production. While finding more oil is important, we would have to discover a new pool of oil as large as the huge Alaskan field every year just to keep pace with the annual growth in world consumption. In spite of strong financial incentives, that is not going to happen. We must shift to other sources, and ultimately to renewable sources such as solar and geothermal energy, and nuclear energy with strict safeguards. We do not need to build the breeder reactor, which would increase the risk of proliferation.

You know that meeting our energy goals will be tough. It will require sacrifices from every group in the country -- including the auto makers and the United Auto Workers.

It will take sacrifice because we cannot use the fuel crisis as an excuse for not cleaning up our air. It will take sacrifice because we have got to improve the efficiency of our cars.

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And we're not going to let Social Security go broke. We're going to keep faith with the 33 million Americans who receive benefits and the 104 million who are paying into the

system with the expectation that you will receive benefits when you retire or become disabled or when your dependents need help.

The changes I submitted to the Congress will make Social Security financially sound for the rest of the century and will correct most of the problems for the next 75 years -- and without more taxes than already scheduled by law for the average wage earner.

Fourth, our welfare system and our tax system.

In both of these cases, tinkering will not be enough. They must be thoroughly redesigned.

The welfare system we have now robs the taxpayers who support it, degrades the people who really do need help, and discourages the people who administer it. It is an extraordinarily complex and difficult problem -- even more so than we had expected. Two weeks ago I outlined the principles that must underlie the reform of the system that must be undertaken, and we hope to have legislative proposals ready by the end of the summer.

We've begun to move in this direction by simplifying the food stamp program, eliminating the purchase requirement and reforming the eligibility rules.

As for our tax system, it too must be reformed through and through. Our tax system was once relatively simple and progressive. It isn't any more, because it has been changed so much over the years -- mostly for the benefit of those who are rich enough to hire their own lobbyists. The process of

redesign is well underway, and we intend to submit legislation to the Congress as early as possible this year.

Fifth, the health of our people.

Good health for every American is one of my primary concerns, and I know it is one of yours. We must approach this problem on many levels.

I believe that we must increase our emphasis on dealing with the causes of illness. This means promoting a cleaner and healthier environment and I will be submitting detailed proposals to do that in about two weeks.

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But we must move immediately to start bringing health care costs under control. If we don't, the cost of any national health program will double every five years.

Hospital costs take 40 cents of every health dollar, and they have gone up an incredible one thousand percent since 1950.

I have proposed hospital cost containment legislation that would put the brakes on these increases. It allows for special situations and improvement of care, but it also rewards efficiency and begins to check the spiralling costs. It is the first necessary step toward comprehensive national health care.

Sixty other nations have managed to come up with national health programs that meet the needs of their people. It is not beyond our ingenuity to do the same. And I want this program to be established during my stewardship of this office.

Sixth, the need for an open and efficient government.

I've done my best to open up the Presidency. I've talked publicly about foreign policy matters that were formerly considered too secret and complicated for the ears of the American people. I've had frequent press conferences. I've had direct encounters with people who don't normally get to talk to a President.

I intend to continue doing these things. I enjoy them. I believe they contribute to the democratic process. / And I think they're a safeguard against some of the abuses of power we've suffered from in the past. Just imagine what that town meeting in Massachusetts would have been like if I'd had a Watergate or a Vietnam on my hands. /

There are other ways we can build more openness and responsiveness into the system.

We can make sure that the activities of government officials are devoted exclusively to the public interest. I have asked the Congress to impose strict financial disclosure standards on more than 13,000 federal officials. This will make it very uncomfortable for people whose interests conflict with those of the public.

We need to open up our electoral system to greater participation. Many working people don't vote now because they don't have the time to go through the lengthy and needless registration procedures. Vice President Mondale and I have worked out legislation that would let people register at the polls on the day of a federal election.

And we need to create an Agency for Consumer Protection, which the UAW has supported for many years.

This bill would consolidate consumer advocacy programs that are now scattered ineffectively throughout the maze of federal agencies. It would give consumers a voice in government offices where, too often, the only voices heard have been

those of lobbyists for the wealthy and powerful.

Those interests are now putting enormous pressure on the Congress to kill the legislation creating this new consumer agency. And they are trying to kill the electoral reform bill, because they don't want working people to vote. We can't let them get away with it. The UAW has long supported these measures. Together, we can get them passed this year.

(more)

We must make government more efficient -- because we don't have the money to waste on inefficiency, duplication, or helping those who can take care of themselves.

Waste robs us all. It prevents the realization of our hopes.

An efficient government means spending money only where it will do something for our people. We've proposed a \$350 million increase in the Title I education funds for deprived children. We've proposed raising the Basic Opportunity Grant from \$1400 to \$1800 per year, to help average families put their kids through college.

But when spending is wasteful, we've moved vigorously to cut it out.

We found eighteen water projects that simply couldn't be justified, and five others that were more expensive or elaborate than they needed to be. Cutting these back will save about \$4 billion, \$200 million of it immediately, in fiscal year 1978.

We're moving to get rid of some of the more than eleven hundred advisory commissions in the Federal government. Some of them serve a useful purpose, opening up the government to citizen participation and giving us advice we need, but others haven't met in years, or are just artificial and a waste of money. They have got to go.

We're instituting zero-based budgeting and sunset legislation, which will help us get rid of programs which have outlived their usefulness.

We have also begun a complete reorganization of the Executive Branch.

We're starting at home -- in the Executive Office of the President. We're going to do it thoroughly and we're going to do it right -- with wide-ranging consultations every step of the way. We're going to do something that's almost revolutionary: we're going to apply reason to the organization of the Federal bureaucracy.

I believe that we can be fiscally responsible and still satisfy the needs of our people -- and that we cannot satisfy our needs unless we are efficient.

I believe that we can cut both unemployment and inflation -- and that our policies will help us reach both these goals.

We can do these things if we remember that nothing good comes quickly or easily, that we must make hard choices about how to use our resources, and that without lean, effective government our good only lean, efficient government can translate our good intentions into actions that will improve the lives of our people.

That's the kind of government I am determined to have. And I will stick to that determination, no matter where the criticism comes from.

In his final report to this convention, President Woorcock wrote: "In the United States, we are moving from a period of depression, despair and despondency into a time of renewed hope."

If we work together, that hope will never fade.

#

THE PRESIDENT HAS SEEN.
THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

May 17, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CS*

Two new pieces of information have become available on the economy in April, housing starts and personal income.

Housing Starts (released Tuesday)

Housing starts in April fell from the abnormally high level of 2,114,000 in March to 1,875,000 in April. The March level included some makeup from the earlier cold weather slump and was clearly unsustainable. April housing starts, as the table below shows, were still about 100,000 above the average for the prior two quarters. The decline from March does not signal weakness in the housing industry.

Housing Starts
(seasonally adjusted annual
rate; thousands of units)

	<u>Total</u>	<u>Single family</u>	<u>Multi- family</u>
1976 IV	1,770	1,276	494
1977 I	1,771	1,319	452
April	1,875	1,444	431

Personal Income (to be released on Wednesday afternoon)

Personal income rose by \$11 billion in March. This is a 9-1/2 percent annual rate of increase, sharply down from the unusual gains of 20 percent during the cold weather rebound in February and March.

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for Preservation Purposes**

Within the total, wages and salaries rose by \$10 billion -- an annual rate gain of 13 percent. This is a good increase and generally in line with a continuing expansion towards our 1977 goals.

THE WHITE HOUSE
WASHINGTON

May 17, 1977

Bert Lance -

**The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.**

Rick Hutcheson

Re: Spending by Agencies

THE WHITE HOUSE
WASHINGTON

5-17-77

To Bert Lance

What can we do
to prevent last minute
(and unnecessary) spending
by agencies at the
end of the fiscal
year?

J.C.

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

May 17, 1977

The Vice President
Bob Lipshutz

The attached was returned in the
President's outbox and is forwarded
to you for your information and
appropriate action.

Rick Hutcheson

Re: Intelligence Community Matters

THE WHITE HOUSE
WASHINGTON

May 14, 1977

To Bob
J

THE PRESIDENT HAS SEEN

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BL*
SUBJECT: Intelligence Community Matters

I am sending you this memorandum at the suggestion of the Vice President.

Regarding the Intelligence Oversight Board, although it has not yet formally assumed office, the three new members are both proceeding with the necessary orientation for their jobs and beginning to assume their responsibilities. It is important for you personally to meet with the three members of the Board to emphasize the role which they are fulfilling on your behalf. Tim Kraft and I are working on an appointment for this purpose, which I believe will be scheduled before the end of May.

Approve ☒ Disapprove ☐

As directed by you, PFIAB has been terminated, and apparently with a minimum of reaction.

The Vice President recommends that the primary responsibility for drafting charters for the CIA and the FBI be in the hands of Admiral Turner and Attorney General Bell respectively, that the Vice President himself revert from the "Chairman" role to an advisory function in these specific matters. We would continue to furnish active assistance in these matters (Fritz Schwartz on behalf of the Vice President and myself on your behalf), and we of course would "staff" for you these recommendations in the usual manner. I concur in the recommendation of the Vice President.

Approve ☒ Disapprove ☐

With your approval I will continue to act as the liaison between the Intelligence Oversight Board and yourself.

Approve ☒ Disapprove ☐

Please advise regarding the foregoing matters.

C

THE WHITE HOUSE
WASHINGTON

May 17, 1977

The Attorney General -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Illegal Aliens & Budget

THE WHITE HOUSE
WASHINGTON

rick--

please send to griffin bell..

i'm keeping original for a
while per request by
president

thanks -- susan

cc: Griffin Bell
This is good common
sense -

J.C.

THE PRESIDENT HAS SEEN.

MAY 10, 1977

MEMORANDUM TO: President Carter

I mentioned to you the problem which has existed in the past of agencies spending heavily at the end of the fiscal year in order to use up all of their budgets.

I wish you would consider publicizing a rating system for agencies that you will have the OMB establish in effect rating the agencies as to their ability to handle money and use it wisely which you can take into account for future recommendations on appropriations. It could itemize the practices it considers acceptable. One item might state that every expenditure at the end of the budget year will be scrutinized with care. It could be further pointed out that programs which violate the standards will be scrutinized as to the feasibility of the program as well as competence of the persons responsible for the administration of the program.

After reading over the recommended program for Mexico's illegal alien problem, I told you I didn't much like the suggestions and I would like to give a few details.

In general, it seemed more like a compassionate program to reward the illegal aliens and Mexico for creating the problem rather than trying to solve the problem.



In one place it sought justification for their illegal entry on the idea that they had families in Mexico and were just coming over to earn a little money to support their families. At another point they sought to justify amnesty on the idea that they had children in the United States and it thus established an equity. However, they recommended amnesty for all, whether they had established an equity or not, who fell within a certain time limit. *g ag*

While you may desire at some point to recognize equities in some way, I think the plan recommended would merely increase the problem and encourage people to come and stay as long as they could and have as many children as they could.

Furthermore, everyone seemed to admit that they were not sure about their figures which ran from six to twelve million and most of their facts apparently were assumptions.

I would suggest that we first determine if we can stop the flow. If we can't stop the flow, it hardly makes any sense to legalize their entry. ✓

It was not indicated in the various reports that I read that any effort had been made to develop information from immigration and other officials who were actually working on the border.

As I recall, the only specific recommendation was to put another 2,000 immigration officials in the area.

I suggest that we consider strengthening the security along the border in a substantial way by using a select cadre from the immigration service or elsewhere who would be permanent employees and have Ray Marshall recruit a large number of unemployed with some set minimum qualifications. This might be a CCC type of operation and could be administered at a lower level by service or former service personnel. It would include citizens of Mexican descent and this could keep it from appearing or being rough on Mexicans. They would be unarmed. At the same time, we could work out something with the Mexican government to maintain a similar or suitable force along appropriate parts of the border on their side and we could give sufficient subsidy for the employment of these people to make it worthwhile for the Mexican government and the Mexican people to see that it was effective and stop the flow. It could be announced that as this became effective we would inventory and evaluate the equities of illegal aliens already in the country and develop a plan to recognize a limited number of equities. This could be done in conjunction and cooperation with the Mexican government to spot criminals and be sure that we are not

accepting citizens who have run off and abandoned their families or other responsibilities in Mexico.

This could be accomplished in a background of the aid and assistance on a higher level that we apparently must give to Mexico in the near future, and we might use that to insure and insist that we got the cooperation of the Mexican government on the illegal alien problem. By announcing at the time of our longrange plan of recognizing certain equities and by using Mexican personnel and Americans of Mexican descent, we might well win the support of our citizens of Mexican descent in helping to stabilize the problem.

If it has not already been done, I would suggest that a quick, thorough review of these reports and an on-the-spot investigation and consideration of the various recommendations by a very small group, or maybe one person, having no other responsibilities, would be in order. The reports or recommendations I reviewed appeared to me to be prepared by people that were in a hurry and had not had time to give it careful investigation or thought.

One other item included in the recommendations was the financing of some of the local governments along the border because of the influx of illegal aliens would be a mistake in

my judgment. Once these local governments begin to receive money because of the burden of the aliens, there will always be plenty of them around.

One of the problems about enlarging the immigration service by several thousand employees is that they will be highly qualified, highly paid permanent employees and would tend to expand as time went on.

Something was said in one of the recommendations submitted to you about the advantages to the farmers of the illegal aliens. I talked to Aragon in Hamilton's office and according to him most of these farmers are large corporations or large farming operations and I don't see any point in giving any consideration to the farming aspect. To the extent there is any authorized movement across the border anywhere for seasonal work, I think that should be stopped. It must bring more opportunity for the entry of illegal aliens and aggravate the problem and would thus cause more damage to the economy than would be gained by the use of these people. If it causes a problem to Mexico, that can be dealt with in some other way.

CHK/b

THE WHITE HOUSE
WASHINGTON

May 17, 1977

Jody Powell -

For your information the attached
letter was sent to Mr. Stroud today.

Rick Hutcheson

5/16/77

X

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

TO: The President

May 16, 1977

FROM: Walt Wurfel

THE PRESIDENT HAS SEEN.

You may wish to write a note of thanks to Joe H. Stroud, editor of the Detroit Free Press, for the paper's May 13 editorial in favor of your "balanced, comprehensive approach" to Social Security financing. The editorial both educates the reader on the outlines of your plan and urges its adoption. The editorial is attached.

Mr. Joe H. Stroud, Editor
Detroit Free Press
321 W. Lafayette Blvd.
Detroit, Mich. 48231

cc: Jody Powell

semi-employed persons

• And, the use for the first time of general fund revenues to subsidize a portion of the Social Security program.

can be resolved by the president's lead and resolve the current problems in this vital program on a long-term basis.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20500

May 18, 1977

MEMORANDUM FOR THE PRESIDENT
FROM: Frank Press *FP*
SUBJECT: Oak Ridge National Laboratory (ORNL)

In view of recent decisions, there will be displaced technical staff.

ORNL has expertise and ongoing activity in a number of fields and expansion of one or more of these would be consistent with your energy policy. These are:

1. R&D in alternate fuel cycles, utilizing thorium such as the Molten Salt Breeder Reactor and the High Temperature Gas Reactor. These approaches have advantages in lower generating costs and lower proliferation risk over the Shippingport LWBR. (Employment impact 600-800 technical plus support staff)
2. Energy conservation R&D. (100 technical plus support staff)
3. Coal utilization research - extraction, combustion, health effects. (300 technical plus support staff)

When you meet with Senator Sasser and the Tennessee Congressional delegation on May 25, these possibilities could come up in the discussion. Item 1 could serve to defuse Congressional efforts to reinstitute the fast breeder.

EXECUTIVE OFFICE OF THE PRESIDENT
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When you meet with Senator Sasser and the Tennessee Congressional delegation on May 25, these possibilities could come up in the discussion. Item 1 could serve to defuse Congressional efforts to reinstitute the fast breeder.

THE WHITE HOUSE
WASHINGTON

May 17, 1977

Stu Eizenstat -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Copyright Royalty Tribunal

cc: Hamilton Jordan

THE WHITE HOUSE
WASHINGTON

5-16-77

To Stu -
Get quick assess-
ment from Bert
& Griffin -

J.C.

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for Preservation Purposes

MR. PRESIDENT-
You posed 3 questions:
1) Do we need it? Probably

THE WHITE HOUSE 2) Who does it now? No one
WASHINGTON 3) Candidate for abolishment?

May 16, 1977

THE PRESIDENT HAS SEEN

MEMORANDUM FOR PRESIDENT CARTER

FROM: HAMILTON JORDAN

SUBJECT: COPYRIGHT ROYALTY TRIBUNAL

Please read these two pages.
I don't think we know
enough about it to take the
position it is not needed. It
could be a priority item for study
by neog: HQ.

When I presented recommendations for appointments to the Tribunal to you, you asked whether we needed it since it looked like a good candidate to abolish under the reorganization.

Checking into it further, I found a substantial amount of support for the Tribunal from the Congress and from individuals such as Phil Walden and others prominent in the affected industries. It is not, as of now, a prime candidate for the Reorganization Committee. The Reorganization people feel, as do a number of others, that the Tribunal should be given a chance to show what it can accomplish in this very complex field. It has never been in operation because Ford failed to make any appointments, hence the pressure on us to move on the appointments.

Senator McClellan is particularly insistent on the necessity for the Tribunal, as is Congressman Kastenmeier. Both were involved in the 1976 copyright legislation, and it would be a repudiation of that legislation, in their opinion, and the compromises eventually arrived at, if the Tribunal were not appointed. For example, the question of reviewing royalty rates is a highly technical one. Congress reviewed the rates in 1909 and although they were supposed to review them again in 40 years, it took until 1976 to accomplish another review--65 years. Everyone involved in the development of the 1976 copyright law agreed that Congress was the last entity that should be concerned with reviewing royalty rates, hence the invention of the Tribunal.

Given the strong feeling on the part of Congress and the people in the industries that if we do not have the Tribunal there will be increased and costly litigation, and that the only way to begin to arrive at a determination of rates on some fair and logical basis, and provide for the adjudication of rate disputes and distribution is to have a mechanism such as the Tribunal, I recommend we go ahead. The failure to appoint the Tribunal and let it try to create some order out of this complex area would, I believe, cause us more difficulty and criticism than would the appointment and subsequent abolition of the Tribunal. I am accordingly resubmitting my original recommendations for appointments to you.

Agree _____ Disagree _____

If Agree: Approve appointments _____ Give me more candidates _____

Attachment: Recommendations of appointments _____

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

May 12, 1977

TELEPHONE CONVERSATION BETWEEN CONGRESSMAN ROBERT W. KASTENMEIER
(D-WISC.) AND LISBETH GODLEY, MAY 12, 1977:

sub
Copyright Royalty Tribunal: Reason for its creation *sk*

1. The question of reviewing royalty rates is a highly technical one, involving fairly sophisticated economic analyses. Congress reviewed royalty rates in 1909 and then, although they were supposed to review them again in 40 years, did not complete another review until this past fall, 1976.

Everyone involved in the development of the 1976 copyright law agreed that Congress was the last entity that should be concerned with reviewing royalty rates.

2. Public Law 94-553 mandates that the rates for various royalties be fixed from time to time. The tribunal was established to take Congress out of the business of establishing these rates.
3. It would be a repudiation of the copyright revision carefully drafted to win the support of all the major interest groups involved in the legislative process (e.g., television networks, authors, cable TV, musicians, composers, movie companies, distributors, etc.).
4. Approval of the legislation was contingent on there being an adjudication and determination at certain times of royalty rates. The tribunal was established for the determination of rates and the adjudication of rate disputes and distribution.
5. If we did not have this tribunal, there would be litigation all over the place.
6. I am absolutely neutral in the question of who is chosen to this tribunal. I am only interested in seeing that good people who do not represent industry are chosen and that they are chosen quickly so that the tribunal can get on with the business of setting the rates mandated by law and can distribute the royalties taken in under those rates.

April 30, 1977

TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN
RE: COPYRIGHT ROYALTY TRIBUNAL

*Ham. Do we
need it at all?
who performs this
function now? Looks
like a good candidate
to abolish under
reorganization
J.C.*

This is a new and obscure regulatory commission that is very important to the industries affected by it - movie, record and tapes, public broadcasting and cable television.

The paramount concern in making these appointments is to find people that have good business sense and fair judgement with no ties to the industries regulated.

A profile of the commission follows. Ford failed to make the appointments and there is pressure on us to act. Also candidates and my recommendations.

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THE WHITE HOUSE

WASHINGTON

COPYRIGHT ROYALTY TRIBUNAL

The Copyright Royalty Tribunal was established by Public Law 94-553, October 19, 1976 to set the rates, terms and distribution of copyright royalties in certain fields. Both the Tribunal and its authority break new legislative ground.

Tribunal Composition/Description

Initial Appointees: 5 Commissioners

- 3 Commissioners appointed to 7 year terms
- 2 Commissioners appointed to 5 year terms

Method of Appointment: Presidential appointment with advice and consent of the Senate

Designation of Seniority: President "shall designate an order of seniority among the initially appointed commissioners."

Election of Chairman: The three members serving seven year terms elect among themselves a Chairman to serve for a term of one year. The Chairmanship then rotates according to seniority for a term of one year.

Announcement of Appointees: The President shall publish a notice announcing the initial appointments. (unusual procedure)

Political Party Affiliation: There is no restriction or limitation on Party affiliation.

Compensation: GS-18

Tribunal Responsibilities

1. Establishes rates and terms of licensing for performance and displays by public broadcasters of copyrighted music and graphics.
2. Distribution of royalties on the basis of claims by copyright owners with respect to performances on CATV systems and jukeboxes, and to settle disputes over division of royalties in such situations.
3. To review and/or adjust rates for use of copyrighted material on CATV systems, sound recordings, jukeboxes and public broadcasting.

Consultants

The individuals listed below have been consulted personally and/or have submitted written material from which we have derived a suggested consensus profile of the composition of the new Copyright Royalty Tribunal:

Thomas Brennan - Chief Counsel, House Subcommittee on Patents, Trademarks and Copyrights. (Attended 3/22/77 meeting on Copyright Royalty Tribunal and has submitted written material.)

Barbara Ringer - Registrar of Copyrights, Library of Congress (Attended meeting on Copyright Royalty Tribunal and has submitted written material.)

Bruce Lehman - Counsel, House Judiciary Subcommittee (Attended 3/22/77 meeting on Copyright Royalty Tribunal and has submitted written material.)

Hugh West - One-Stop Record House, Inc., Atlanta, Georgia. (Has submitted written material and called several times.)

Congressman Robert Kastenmeier - Has made written recommendations.

Recommended Composition of Tribunal

We were persuaded that the Tribunal needs persons of sound business judgment rather than technical knowledge or training, and persons without industry ties.

We suggest a Tribunal composed of Commissioners from the following backgrounds with no more than two commissioners chosen from any one background.

- Attorneys
- Economics/Business Management
- Academia
- Generalists
- In addition, we recommend the appointment of one Commissioner who has an understanding of the legislative intent behind the law establishing the Copyright Royalty Tribunal.

SPECIAL NOTE

1. It is essential that no appointee have direct or ongoing ties with any special interest group under the jurisdiction or supervision of the Tribunal actions. The selection of a commissioner from any one of the many special interest groups may appear to show partiality to that group, and could perhaps set a precedent of characterizing one commission position as an "industry" seat. Since the actions by the Tribunal will result in financial decisions, it is essential that no Commissioner on the Tribunal have a vested interest.
2. It should be noted that the new Tribunal will begin work in areas never before covered under legislation. Prior copyright law experience is unnecessary and irrelevant in choosing a Commissioner because it deals with questions of acquiring copyrights rather than the regulation and distribution of copyright royalties.
3. The Tribunal Commissioners will be required to analyze and make judgments largely on the basis of statistical studies and economic analyses initiated by the Tribunal and/or submitted by various industries. An understanding of micro-economics may be an important consideration.
4. The President has an opportunity to be creative in his selection of the 5 initial Tribunal Commissioners. In the past two years many qualified individuals have demonstrated their hardworking dedication and devotion to a productive and progressive new administration. We have an excellent opportunity to put these demonstrated abilities to work in a new area of responsibility.

A list of candidates is attached, divided by background and including short reference comments.

individual waiver of the rules and regulations of the Federal Communications Commission, as such rules and regulations were in effect on April 15, 1976.

(C) In the event of any change in the rules and regulations of the Federal Communications Commission with respect to syndicated and sports program exclusivity after April 15, 1976, the rates established by section 111(d)(2)(B) may be adjusted to assure that such rates are reasonable in light of the changes to such rules and regulations, but any such adjustment shall apply only to the affected television broadcast signals carried on those systems affected by the change.

(D) The gross receipts limitations established by section 111(d)(2)(C) and (D) shall be adjusted to reflect national monetary inflation or deflation or changes in the average rates charged cable system subscribers for the basic service of providing secondary transmissions to maintain the real constant dollar value of the exemption provided by such section; and the royalty rate specified therein shall not be subject to adjustment; and

(3) to distribute royalty fees deposited with the Register of Copyrights under sections 111 and 116, and to determine, in cases where controversy exists, the distribution of such fees.

Notice.

(c) As soon as possible after the date of enactment of this Act, and no later than six months following such date, the President shall publish a notice announcing the initial appointments provided in section 802, and shall designate an order of seniority among the initially-appointed commissioners for purposes of section 802(b).

17 USC 802.

§ 802. Membership of the Tribunal

(a) The Tribunal shall be composed of five commissioners appointed by the President with the advice and consent of the Senate for a term of seven years each; of the first five members appointed, three shall be designated to serve for seven years from the date of the notice specified in section 801(c), and two shall be designated to serve for five years from such date, respectively. Commissioners shall be compensated at the highest rate now or hereafter prescribe for grade 18 of the General Schedule pay rates (5 U.S.C. 5332).

(b) Upon convening the commissioners shall elect a chairman from among the commissioners appointed for a full seven-year term. Such chairman shall serve for a term of one year. Thereafter, the most senior commissioner who has not previously served as chairman shall serve as chairman for a period of one year, except that, if all commissioners have served a full term as chairman, the most senior commissioner who has served the least number of terms as chairman shall be designated as chairman.

(c) Any vacancy in the Tribunal shall not affect its powers and shall be filled, for the unexpired term of the appointment, in the same manner as the original appointment was made.

17 USC 803.

§ 803. Procedures of the Tribunal

(a) The Tribunal shall adopt regulations, not inconsistent with law, governing its procedure and methods of operation. Except as otherwise provided in this chapter, the Tribunal shall be subject to the provisions of the Administrative Procedure Act of June 11, 1946, as amended (c. 324, 60 Stat. 237, title 5, United States Code, chapter 5, subchapter II and chapter 7).

5 USC 551, 701.
Publication in
Federal Register.

(b) Every final determination of the Tribunal shall be published in the Federal Register. It shall state in detail the criteria that the Tribunal determined to be applicable to the particular proceeding, the

various facts the
ceeding, and the

§ 804. Institution

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Thomas Brennan

Newark, New Jersey
1935

Comments:

Barbara Ringer, Register of Copyrights at the Library of Congress recommends him highly. was one of the main architects of the copyright revision bill, and particularly of the Copyright Royalty Tribunal.

Authors League of America, Inc. Endorse him completely. They note that no member of the Tribunal should have any business or professional ties to the industry

Other Endorsements: Robert Wade, General Counsel for the National Endowment for the Arts, Congressman Thomas Brennan.

Thomas C. Brennan

Position Sought

Commissioner, Copyright Royalty Tribunal, established by P. L. 94-553 as an independent agency in the Legislative Branch. The Act directs the President to nominate 5 Commissioners not later than April 19, 1977.

Current Position

Chief Counsel, Senate Committee on the Judiciary, Subcommittee on Patents, Trademarks and Copyrights.

Experience For Position Sought

The legislative history reflects that the President shall select the members of the Tribunal "from among persons who have demonstrated professional competence in the field of copyright policy." Mr. Brennan served as Counsel to both the Majority and Minority in the Senate throughout the decade of proceedings on the general revision of the copyright law. As the representative of Chairman McClellan, he played an active role in working with Members of Congress and the various parties in the development and implementation of legislative solutions to a variety of copyright policy issues, including all the subjects within the jurisdiction of the Tribunal.

Mr. Brennan's fairness and skill in resolving copyright issues have been praised by Members of the Senate, the principal interests in the private sector and the press. A recent issue of "Billboard" described him "as widely known for his expertise and diplomacy in dealing with industry spokesmen and Senators."

Biographical Data

Legal Residence - Newark, New Jersey
Current Office Address - 349-A Russell Senate Office Building
Office Phone - 224-2268

Birth - January 16, 1935

Education -

A. B. Magna Cum Laude, Seton Hall University (1956)
J. D. Georgetown University (1959)
LL. M. Georgetown University (1962)

Employment

Professional staff member of the Senate Committee on the Judiciary since 1959

Marital Status - Single

Financial Disclosure

Mr. Brennan has not at any time been employed by, or had any financial interest in any business or association related to the jurisdiction of the Tribunal.

Comments:

Ann Richard, Austin Texas County Commissioner: "Frances would be good on the Copyright Royalty Tribunal. When she moved to Austin from Dallas she set up the Arthur Andersen firm here in Austin. She not only started out in a new community, but she started a firm up in a new community. That takes a lot of dedication. She's very impressive in both her appearance and dedication. She's a good administrator. She is one of only two women from Texas that has my recommendation. I'm pretty critical, and I don't throw compliments around."

Gostabo Garcia, CPA, Garcia-Morrison (CPA firm); President, Austin Independent School Board: Frances came from a migrant family. She was an outstanding high school student, even though she worked full-time. She works for Arthur Andersen. She started at the bottom of that firm and is maybe two years from becoming a partner. She is the next level below. A partnership in Arthur Andersen is a \$75,000 a year position.

Ed Hanslik, managing partner of Arthur Andersen Company, Austin, Texas branch: "Frances Garcia knows how to handle herself very well. She's good on her feet, with a lot of common sense, and she has never, or would never, do anything that would embarrass the firm. She's extremely dedicated and hard-working, and gets along extremely well with people. Overall, I give Frances Garcia very high marks. Her story is even more remarkable in light of her background."

Gonzalo Barrientos, Texas State Legislator: "I've known her for 2 or 3 years. She's spent several years with this CPA firm in Austin. She's very intelligent. She's well respected in the community. She's travelled around this country quite a bit. She's dedicated to improving herself. In her profession, she's sometimes had to compete with men. She's always handled it well."

Calvin Guest, Chairman, Texas Democratic Party: "She was working on a tenant farm as a child. She worked her way up. She's just a most impressive lady. I'm pretty critical, and I think she's top flight. If she has a weakness, it is that she's a 'workaholic', and that is sometimes a weakness. But all in all, she has a great balance between her personal life and professional life. She supports her parents by herself. She's good administratively. I would like to have had her as a Vice-President in my shop."

Frances Garcia
2106 Hartford Road
Austin, Texas 78703
Home Phone (512) 478-0612

472-2323

Personal Data:

Excellent Health
Birthdate - July 21, 1941
Marital Status - Single

Education:

Midwestern University, Wichita Falls, Texas - BBA, 1968
Certified Public Accountant, Texas - 1972

Work Experience:

July 1, 1968 - Present

Audit Manager for Arthur Andersen & Co., one of the "Big Eight" international accounting firms. I am presently an audit manager and the Austin office manager. My responsibilities and duties as an audit manager include:

- . Planning and programming audits
- . Controlling audit work in process
- . Supervising of staff conducting audits
- . Resolving potential audit adjustments and problems
- . Determining approximate/required financial statement disclosure(s)
- . Reviewing work performed
- . Writing reports
- . Conducting meetings
- . Recommending suggestions for improvements to clients

Primary area of concentration is in the financial industry:

- . Banks
- . Savings and loan associations
- . Respective holdings companies

Other industry experiences:

- . Manufacturing
- . Health Care
- . Higher education
- . Regulated industries - telephone companies

For the last two years, I have been heavily involved in administration with the Firm. In July, 1976, I moved from Dallas to Austin to manage a new office of Arthur Andersen & Co. My duties in this capacity include:

- . Manpower scheduling
- . Personnel recruitment
- . Staff services procurement
- . Supervise office personnel
- . Monitor office internal functions
- . Participate in training programs as an instructor
- . Participate in firm meetings

1960 to 1968:

Borg Warner Acceptance Corporation--Trouble shooter, traveled throughout the United States assisting whenever any bookkeeping problems occurred, setting up new offices and training personnel.

1957 to 1959:

Kemp Drug Store--Waitress. Worked my way through high school.

1953 to 1957:

Various miscellaneous jobs.

Organizations:

Professional

American Institute of Certified Public Accountants--
Committee of Minority Recruitment and Equal Opportunity
American Women Society of Certified Public Accountants
Texas Society of Certified Public Accountants--
Membership Committee
American Society of Women Accountants--Past president,
Dallas Chapter, 1975
American Association of Spanish Speaking Certified Public
Accountants--Membership Committee

Civic

United Way of Austin--Board of Trustees
Dallas Mexican Chamber of Commerce--Second vice president,
1976
Austin Chamber of Commerce

Other

Austin Minority Economic Development Corp. - Board of Trustees
Dallas Mexican Chamber of Commerce Local Business Development Organization--Board of Trustees
Zonta International Club--Dallas and Austin Chapters

Other Activities:

Have been a faculty member at several firm sponsored schools

Participated in the film "A Profession Integrates" sponsored by the American Institute of Certified Public Accountants

Featured speaker on "Unaudited Financial Statements" at a continuing education seminar sponsored by the American Association of Spanish Speaking Certified Public Accountants

Other speaking engagements include:

University of Texas at Arlington--Career Day
Texas Technological University--Career Day
Southern Methodist University--Women Awareness Day
University of Texas--Accounting Classes
Bishop College--Multi-Culture Day

Mary Lou Burg

Wisconsin
Female
47

Comments:

Senator Gaylord Nelson (Wisconsin): Has known Mary Lou Burg since 1960 when he was Governor. He knows her both as a business woman and a political leader. She became General Manager of a local radio station in Milwaukee that under her management became the largest and most influential country-Western station in Milwaukee, and in fact in the State. He thinks very highly of her as a businesswoman and as an "activist." When she moved on to DNC, she did an outstanding job of management. He considers her highly qualified for a position on any type of regulatory commission or board.

Robert Strauss, Special Representative for Trade Negotiations: Most of his experience with her was during her time at the DNC. She did an excellent job of managing affairs at the Committee. Is very competent and loyal. Was good at public appearances and is capable of using her own initiative. She has an especially good sense of people all around the country and has built a reputation for efficiency and cooperation. Recommends her very highly for any position in the Administration, especially one which requires dealings with groups and associations. He also noted she was a strong advocate of the ERA and helped with this effort.

200 N. Nash Street
Arlington, Virginia 22209
Telephone: 703/243-4217

EDUCATION:

Graduated from West Bend High School, 1947.

Graduated with a Bachelor of Science Degree from University of Wisconsin, 1952.

BUSINESS BACKGROUND:

General Manager, General Sales Manager, Radio Station WYLO, Milwaukee, 1967-1970.

Sales Representative, WYLO Radio, 1964-1967.

Director of Continuity & Public Service, WEMP Radio, Milwaukee, 1958-1964.

Sales & Program Promotion writer WXIX-TV, Milwaukee, 1955-1957.

Commercial Writer, Erwin-Wasey Advertising Agency, Los Angeles, 1953-1954.

Broadcasting experience also included a good deal of on-the-air work -- such as interviews, commentaries, commercials.

Wrote, produced and directed an hour-long special program "The Story of the American Civil War". It was aired May 29, 1962.

CIVIC ASSOCIATIONS:

Member of Business, Industry and Labor Fund Drive, Milwaukee County Chapter
National Foundation of March of Dimes, 1966.

Member Fund Raising Committee for the Center for the Performing Arts, Milwaukee, 1965.

Radio Publicity Coordinator for the Milwaukee County March of Dimes Campaign, 1964.

Member of the National Radio Committee for National Brotherhood Week, 1963.

Regional representative for the National Brotherhood Week Radio Committee -- National
Conference of Christians and Jews, Inc., 1963.

POLITICAL BACKGROUND:

Deputy Chairman, Democratic National Committee, 1972-1977.

Vice-Chairman, Democratic National Committee, 1970-1972.

Democratic National Committeewoman from Wisconsin, Elected 1968--Re-elected 1972

Precinct Committeewoman, 1966-1970.

Member-at-large, Administrative Committee of the Democratic Party of Wisconsin, 1967-1968

Chairman, Washington County Democratic Party, 1966-1968.

Chairman, Women's Committee, Washington County Democratic Party, 1960-1964.

RELATED:

Steering Committee -- 1976 Presidential Debates - League of Women Voters

Member - "The Freedom To Vote Task Force", Democratic National Committee, 1969.

Participating speaker at "The Robert A. Taft Institutes of Government" 1971-1976

ORGANIZATIONS:

Theta Sigma Phi; League of Women Voters

HONORS:

Named "Wisconsin Woman of the Year" 1970 by the Milwaukee Sentinel.

RELIGION:

Methodist

LEGAL AND VOTING RESIDENCE:

West Bend, Wisconsin

DATE OF BIRTH:

February 10, 1930

Clarence "Buddy James

43 - Cleveland, Ohio
Black

Comments:

Tony Garofoli, County Commissioner, Cuyahoga County: He is very good at organization. George Forbes may not say these things. He, Buddy, inherited a law department when he was law director that was less than organized. He came in and really boosted the morale of those working there. He encourages professionalism. He made a significant improvement. He ran the affairs of the city with the highest integrity. He's really an honest guy, good judgment. He's really sensitive to the problems of the community."

Paul Tipps, Ohio State Chairman: "Buddy has an outstanding reputation professionally. He is very well thought of. Metzenbaum has really good things to say about him. The people of Ohio would be quite pleased to endorse him. It would make us very happy to see Buddy participating in the Administration."

Arnold Pinkney, Pinkney Insurance Corporation, former Assistant to Mayor Carl Stokes: "I knew Buddy when we were both working for the City of Cleveland. He was Law Director -- developing legislation, defending suits against the city. In that capacity he supervised a large staff of attorneys. He's very qualified. He did an excellent job. He was an outstanding Law Director. Very hardworking. He has good judgment. I would recommend him highly."

Name: Clarence L. "Buddy" James Age 43

Current: Attorney, Cleveland, Ohio; Special Counsel
to the Attorney General, Ohio Black

Campaign: California Deputy Coordinator
Former: Director of Law, City of Cleveland; Civil
Director, Legal Aid Society of Cleveland.

Education: J.D., Cleveland Marshall College of Law
B.A., Ohio State University
Case Western Reserve University, Management
Development Program under the Graduate
Program in Public Management Science.

June 1, 1968 to November 5, 1971 - Director
of Law, City of Cleveland.

April 16, 1968 to June 1, 1968 - Chief
Counsel, City of Cleveland.

April 1967 to April 1968 - Civil Director,
Legal Aid Society of Cleveland, Inc.

February 1964 to April 1967 - Director,
Downtown Legal Aid Office, Cleveland, Ohio.

Special Projects: Special Consultant for the Legal Aid Society
of Cleveland, Inc.

Chairman, Committee on Housing, National
Institute of Municipal Law Officers.

Office of Economic Opportunity Evaluator of
the Boston College Consumer Protection Center.

1970 Panelist and Speaker, American Bar
Association section on corporate, banking and
business law -- Subject: Holder in Due Course.

One of the principle drafters of the 1967
Revision in the Ohio Garnishment Law passed
by the Ohio Legislature.

Chairman, Special Task Force, National Legal
Aid and Defenders Association and O.E.O.
Attorneys evaluating Uniform Consumer Credit
Code.

DOUG COULTER

(36 - Washington, D.C.)

Comments:

Frank Mankiewicz: "I've known him well since 1972. He is an outstanding person. Doug is first rate, really hardworking. He can take on any assignment and do it. I think he's terrific."

Tim Kraft: "Doug's highly intelligent, politically savvy. He has initiative, tenacity, competence. He gets right to the point in any project or objective. I'd recommend him without reservation for any challenging substantive assignment."

Senator Gary Hart: "He's a great character; dependable, self-reliant, self-starter; doesn't need direction or supervision. He is the highest caliber type person. Has independent judgment. Supervises people well and is a good manager."

NAME: Doug Coulter AGE: 36

CURRENT: Writer, self-employed, since 1973.

EXPERIENCE: 1973, Howell for Governor, Virginia.
Political Field Director.

1972, McGovern for President.
Field organizer.

1968, AMP de France, Pontoise, France.
Assistant to Director of Finance, responsible for
introducing computerized purchasing procedures for an
American electronics company in France.

1964-67, U.S. Army Special Forces, Germany and Vietnam.
1st Lieutenant.

EDUCATION: MBA, Harvard Business School.
MBA, European Institute of Business Administration
(orientation towards the Common Market; courses
conducted in French, German, and English).
B.A., Harvard College, Phi Beta Kappa.

ACTIVITIES: Fluency, German and French.
Member, American Legion.
Member, U.S. Army Reserve
Member, French Alpine Club.

REMARKS: Doug's fluency in French and German, combined with his
business, organizational, and writing skills, make him ideal
for a position in Treasury, State, Defense, or an independent
commission dealing with international matters.

RECOMMENDATIONS: I don't think that this commission is worth a lot of your time so I would like to make the following recommendations based on the candidates already presented:

1. Thomas Brennen - That he be appointed the senior member and the chair. It is important in the early stages of the commission's operation that its leadership be familiar with the intention of the Congress and generally knowledgeable in the field.
2. Mary Lou Berg - She is a good business-woman and formerly managed a large radio station which gives her general familiarity with a large portion of the market which will be regulated. Also a good Democrat.
3. Francis Garcia - A CPA by training and experience. Her technical understanding of contracts and general business practices will allow her to make a real contribution here.
4. Doug Coulter - A professional writer whose training is in business and finance - MBA from Harvard. Highly recommended by all who know him and have worked with him.
5. Buddy James - Attorney with a consumer orientation. Much of his work has been done on behalf of indigents. Highly recommended by all who know him.

I believe that this is a well balanced group which collectively has the special backgrounds and skills that are needed on this new commission.

I would recommend that these be your appointees. I have, however, presented other candidates for your consideration on the following pages if you want to review them. I have serious doubts that some - like Gloria Schaffer and Jewell Prestage - would move to Washington to serve on this commission.

_____ I will appoint the group recommended.

_____ I want to appoint others as indicated.

ADDITIONAL POTENTIAL CANDIDATES - COPYRIGHT ROYALTY TRIBUNAL

Constance I. Slaughter (31, Black Female, Forest Mississippi) Presently Co-Counsel for Scott County Board of Education. Formerly Chairperson of Personnel Committee, Community Education Extension. Also, former Evaluation Consultant for the Quincy Company, Washington, D. C. and Executive Director for Southern Legal Rights Association, Inc. in Mississippi. Longtime Carter supporter in Miss. (B.S., Tougaloo College, Mississippi; J.D., University of Miss., School of Law)

Rhea Drebin (White Female, Boston, Massachusetts) Presently partner, Palmer & Dodge Law Firm. Highly recommended by Barbara Ringer. (J.D., Harvard Law School)

Jewel Prestage (45, Black Female, Louisiana) Presently Professor & Chairperson, Department of Political Science, Southern University, Baton Rouge. Visiting lecturer at 23 Colleges and Universities in 18 states. Eighteen major publications from research. VIP floor coordinator for Carter at the Democratic National Convention. (B.A., Southern University, Baton Rouge; M.A., University of Iowa; Ph.D. University of Iowa.)

Alex Fernandez (Hispanic Male, New Mexico) Presently Dean New Mexico State University, College of Engineering. Recommended by Dean Rehder. University of New Mexico School of Business.

Herbert Fernandez (Hispanic Male, New Mexico) Presently Chief Nuclear Systems Division, Kirkland Airforce Base. Recently won Governor's Public Service Award. Received M. S. in Electrical Engineering from Stanford University. Recommended by Dean Rehder, University of New Mexico School of Business.

Zachary S. Flax (65, White Male, Maryland) Presently Consulting Editor, BNA's Patent, Trademark and Copyright Journal. Formerly Managing Editor, BNA's Patent, Trademark and Copyright Journal. Recommended by Bruce Lehman. (B.S. and M.E. degrees, School of Technology, College of the City of New York; J.D., Washington College of Law, American University.)

Gloria Schaffer (46, White Female, Connecticut) Presently Secretary of the State, Hartford, Connecticut. Formerly 6 term State Senator, Connecticut. Also former Administrator Clifford Beers Guidance Clinic, New Haven. (Attended New London public schools, then Sara Lawrence College)

ADDITIONAL POTENTIAL CANDIDATES - Continued

Jose R. Baca (48, Hispanic Male, New Mexico) Presently State Purchasing Agent for New Mexico. Formerly Executive Officer with the Agency for International Development in Managua, Nicaragua; San Jose, Costa Rica; La Paz and the Latin American Bureau of the State Department in Washington. (B.A. Albuquerque Business College, University of Nicaragua; Syracuse University and Foreign Service Institute in D.C. and Ohio State University.

Patti Knox (White Female, Detroit) Presently Deputy Director, Department of Public Information, City of Detroit. Vice Chairman, Michigan Democratic Party. Lifetime member, NAACP. Member, Citizens for Better Care. Member, Women's Economic Club. Member, Municipal Woman's Association. Mass. State Campaign, Manager, Carter/Mondale '76.